

Message Text

UNCLASSIFIED

PAGE 01 USUN N 05792 011820Z

16

ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 AF-08 ARA-10 EA-09 NEA-10 ABF-01

OMB-01 TRSE-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

/128 W

----- 068738

R 011609Z DEC 76

FM USMISSION USUN NY

TO SECSTATE WASHDC 1302

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS USUN 5792

E.O. 11652: N/A

TAGS: OGEN, UNGA, ECOSOC

SUBJECT: 31ST UNGA: SECOND COMMITTEE AGENDA ITEMS

56 AND 66: DRAFT RESOLUTION ON DEBT PROBLEMS OF DEVELOPING COUNTRIES

1. TRANSMITTED BELOW IS THE TEXT OF THE DRAFT RESOLUTION FORMALLY CIRCULATED ON DECEMBER 1 DEALING WITH "DEBT PROBLEMS OF DEVELOPING COUNTRIES. ALTHOUGH NOT CLEAR, PRESUMABLE THIS RESOLUTION WILL BE INTRODUCED ON FRIDAY, DECEMBER 3. DEPARTMENT'S GUIDANCE REQUESTED.. QUOTE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION: IMPLEMENTATION OF THE DECISIONS ADOPTED BY THE GENERAL ASSEMBLY AT ITS SEVENTH SPECIAL SESSION

ETHIOPIA, PAKISTAN, PHILIPPINES AND SUDAN: DRAFT RESOLUTION

DEPT PROBLEMS OF DEVELOPING COUNTRIES

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 05792 011820Z

THE GENERAL ASSEMBLY,

RECALLING GENERAL ASSEMBLY RESOLUTIONS 3201 (S-VI) AND 3202 (S-VI) OF 1 MAY 1974 AND RESOLUTION 3362(S-VII) OF 16 SEPTEMBER 1975,

FURTHER RECALLING RESOLUTION 94 (IV) OF 31 MAY 1976 OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT,

NOTING WITH GRAVE CONCERN THAT HEAVY DEPT-SERVICE PAYMENTS, CURRENT ACCOUNT DEFICITS STEMMING FROM MALADJUSTMENTS IN THE WORLD ECONOMY, INADEQUATE BALANCE-OF-PAYMENTS SUPPORT AND LONG-TERM DEVELOPMENT ASSISTANCE, COUPLED WITH TIGHT CONDITIONS AND THE HIGH COST OF LOANS IN INTERNATIONAL CAPITALS MARKETS AND DIFFICULTIES OF ACCESS TO MARKETS IN DEVELOPED COUNTRIES FOR EXPORTS OF DEVELOPING COUNTRIES, HAVE AMONG OTHER THINGS, COMBINED TO IMPOSE A SERIOUS AND CRITICAL STRAIN ON THE IMPORT CAPACITY AND RESERVES OF DEVELOPING COUNTRIES, THUS JEOPARDIZING THEIR DEVELOPMENT PROCESS,

AWARE THAT THE DETERIORATION IN THE TERMS OF TRADE OF DEVELOPING COUNTRIES AND THE HIGH COST SHORT-TERM BORROWING THEY HAVE HAD TO RESORT TO RECENTLY HAVE SERIOUSLY AGGRAVATED THEIR DEBT BURDEN,

CONVINCED THAT THIS SITUATION FACING THE DEVELOPING COUNTRIES CAN BE MITIGATED BY DECISIVE AND URGENT RELIEF MEASURES IN RESPECT OF BOTH THEIR OFFICIAL AND COMMERCIAL DEBTS AND THAT THESE ARE ESSENTIAL TO RESTORE THE MOMENTUM OF GROWTH LOST DURING THE ECONOMIC CRISIS AND TO ACHIEVE THE TARGETS OF THE INTERNATIONAL DEVELOPMENT STRATEGY, ACKNOWLEDGEING THAT, IN PRESENT CIRCUMSTANCES, THERE ARE SUFFICIENT COMMON ELEMENTS IN THE DEBT SERVICING DIFFICULTIES FACED BY VARIOUS DEVELOPING COUNTRIES TO WARRANT GENERAL MEASURES TO BE ADOPTED RELATING TO THEIR EXISTING DEBT,

RECOGNIZING THE ESPECIALLY DIFFICULT CIRCUMSTANCES AND DEBT BURDEN OF THE MOST SERIOUSLY AFFECTED, LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES,

1. STRESSES THAT ALL THESE MEASURES SHOULD BE CONSIDERED AND IMPLEMENTED IN A MANNER NOT PREJUDICIAL TO THE CREDITWORTHINESS
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 05792 011820Z

OF ANY DEVELOPING COUNTRY;

2. CONSIDERS THAT IT IS INTEGRAL TO THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER TO GIVE A NEW ORIENTATION TO PROCEDURES OF REORGANIZATION OF DEBT OWED TO DEVELOPED COUNTRIES AWAY FROM THE PAST EXPERIENCE OF A PRIMARILY COMMERCIAL FRAMEWORK TOWARDS A DEVELOPMENT APPROACH;

3. AFFIRMS THE URGENCY OF REACHING A GENERAL AND EFFECTIVE SOLUTION TO THE DEBT PROBLEMS OF DEVELOPING COUNTRIES;

4. AGREES THAT INTERNATIONAL ACTION FOR DEBT RELIEF SHOULD INCLUDE THE FOLLOWING:

(A) OFFICIAL DEBTS:

(I) BILATERAL DEBT OWED TO DEVELOPED COUNTRIES:

A. THE LEAST DEVELOPED, DEVELOPING LAND-LOCKED AND DEVELOPING ISLAND COUNTRIES SHOULD HAVE THEIR OFFICIAL DEBTS CONVERTED INTO GRANTS;

B. OTHER MOST SERIOUSLY AFFECTED COUNTRIES SHOULD RECEIVE THE SAME TREATMENT AS ABOVE, OR AS A MINIMUM, SHOULD HAVE THEIR OUTSTANDING OFFICIAL DEBTS RECOMPUTED AT THE PRESENT TERMS OF THE INDUSTRIAL DEVELOPMENT ASSOCIATION WITH A MINIMUM GRANT ELEMENT OF 90 PERCENT;

C. DEBT RELIEF SHOULD ALSO BE PROVIDED BY DEVELOPED BILATERAL CREDITORS AND DONORS TO OTHER DEVELOPING COUNTRIES SEEKING RELIEF;

(II) MULTILATERAL DEBTS:

MULTILATERAL DEVELOPMENT FINANCE INSTITUTIONS SHOULD PROVIDE PROGRAMME ASSISTANCE TO EACH MOST SERIOUSLY AFFECTED COUNTRY, LEAST DEVELOPED, ISLAND AND LAND-LOCKED DEVELOPING COUNTRY IN AN AMOUNT NO LESS THAN ITS DEBT SERVICE PAYMENTS TO THESE INSTITUTIONS. IN THE CASE OF OTHER INTERESTED DEVELOPING COUNTRIES, AND TO THE EXTENT SOUGHT BY SUCH COUNTRIES, MULTILATERAL DEVELOPMENT FINANCE INSTITUTIONS SHOULD PROVIDE PROGRAMME ASSISTANCE TO THEM IN AN AMOUNT NO LESS THAN THEIR SERVICE PAYMENTS TO THESE INSTITUTIONS;

(B) COMMERCIAL DEBTS:

(I) INTERNATIONAL AGREEMENT SHOULD BE REACHED TO CONSOLIDATE DEBTS OF INTERESTED DEVELOPING COUNTRIES AND TO RESCHEDULE UNCLASSIFIED

UNCLASSIFIED

PAGE 04 USUN N 05792 011820Z

PAYMENTS OVER A PERIOD OF AT LEAST 25 YEARS;

(II) THE CONSOLIDATION OF COMMERCIAL DEBTS AND THE RESCHEDULING OF PAYMENTS SHOULD BE ACHIEVED BY THE FUNDING OF THE COMMERCIAL DEBTS OF THE INTERESTED DEVELOPING COUNTRIES;

(III) A FINANCIAL FACILITY TO REFINANCE THE BURDENSOME SHORT-TERM LOANS SUCH AS THOSE CONTRACTED IN RECENT YEARS SHOULD BE ESTABLISHED FOR THE USE OF INTERESTED DEVELOPING COUNTRIES;

(IV) WITH RESPECT TO COMMERCIAL DEBTS CONTRACTED THROUGH FINANCIAL MARKETS OR CREDIT INSTITUTIONS BY DEVELOPING COUNTRIES SEEKING DEBT RELIEF, TWO POSSIBLE RELIEF SOLUTIONS MAY BE APPLIED:

A. THE GOVERNMENTS OF THE COUNTRIES OF ORIGIN OF CREDIT INSTITUTIONS SHOULD ADOPT MEASURES TO PERSUADE THESE INSTITUTIONS TO RESCHEDULE OR REFINANCE THE TOTAL CAPITAL

AND INTEREST DUE. THIS REFINANCING SHOULD BE MADE AT THE LOWEST MARKET RATES, OR AT THE ORIGINAL RATE, WHICHEVER IS MORE FAVORABLE TO THE DEBTOR. THE AMORTIZATION PERIOD SHOULD BE AT LEAST THE SAME AS FOR THE ORIGINAL OPERATION BEING REFINANCED AT THE TIME OF SUCH REFINANCING;

B. THE GRANT OF A LOAN AND INTEREST SUBSIDY BY THE GOVERNMENTS OF THE DEVELOPED CREDITOR COUNTRIES PARTICIPATING IN THE RESCHEDULING OF THE OFFICIAL DEBT OF THE DEBTOR COUNTRY FOR REFINANCING OF THE PRIVATE FINANCIAL DEBTS OF THE COUNTRY. THE AMOUNT OF THIS LOAN SHOULD BE EQUIVALENT TO THE CAPITAL AND INTEREST DUE AND SHOULD BE ON THE SAME CONDITIONS ESTABLISHED FOR THE RESCHEDULING OF THE PUBLIC DEBT;

5. FURTHER AGREES THAT FURTHER DEBT NEGOTIATIONS SHOULD BE CONSIDERED WITHIN THE CONTEXT OF INTERNATIONALLY AGREED DEVELOPMENT TARGETS, NATIONAL DEVELOPMENT OBJECTIVES AND INTERNATIONAL FINANCIAL CO-OPERATION, AND DEBT REORGANIZATION OF INTERESTED DEVELOPING COUNTRIES CARRIED OUT IN ACCORDANCE WITH THE OBJECTIVES, PROCEDURES AND INSTITUTIONS EVOLVED FOR THE ABOVE PURPOSE;

6. URGES THE INTERNATIONAL CONFERENCE ON ECONOMIC CO-OPERATION TO REACH AN EARLY AGREEMENT ON THE QUESTION OF IMMEDIATE AND GENERALIZED DEBT RELIEF OF THE OFFICIAL DEBTS OF THE MOST SERIOUSLY AFFECTED COUNTRIES, LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES AND ON THE REORGANIZATION OF THE ENTIRE SYSTEM OF DEBT RENEGOTIATIONS TO GIVE IT A DEVELOPMENT RATHER

UNCLASSIFIED

PAGE 05 USUN N 05792 011820Z

THAN A COMMERCIAL ORIENTATION;

7. REQUESTS THE MINISTERIAL MEETING OF THE TRADE AND DEVELOPMENT BOARD OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT TO BE HELD IN 1977 TO REVIEW RESULTS OF NEGOTIATIONS ON THIS QUESTION IN OTHER FORMS AND TO REACH AGREEMENT ON CONCRETE MEASURES TO PROVIDE AN IMMEDIATE SOLUTION TO THE DEBT PROBLEMS OF DEVELOPING COUNTRIES.

UNQUOTE SCRANTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976USUNN05792
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760446-0183
From: USUN NEW YORK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761280/aaaacsak.tel
Line Count: 211
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAY 2004 by hattaycs>; APPROVED <13 AUG 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 31ST UNGA: SECOND COMMITTEE AGENDA ITEMS 56 AND 66: DRAFT RESOLUTION ON DEBT PROBLEMS OF DEVELOPING COUNTRIES
TAGS: OGEN, UNGA, ECOSOC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006